



**Te Tāhuhu o
te Mātauranga**
Ministry of Education

Report: Confirming amended draft VET Cabinet Paper: work-based learning arrangements

To:	Hon Penny Simmonds, Minister for Vocational Education		
Date:	19/03/2025	Deadline:	20/03/2025
Security Level:	In-Confidence	Priority:	High
From:	Rachel Dillon VET Programme Manager	Phone:	9(2)(a)
Drafter:	Nyk Huntington	METIS No:	1344812

Why are we sending this to you?

- You are receiving this because you are scheduled to bring your Cabinet paper to Social Outcomes Committee (SOU) on 9 April 2025.

What action do we need, by when?

- We are seeking your confirmation of the attached draft Cabinet paper by **20 March 2025**, so that it can be circulated for Ministerial consultation on **21 March 2025**.
- Please return the signed paper by 19 March 2025.

Alignment with Government priorities

- 1. This report supports the redesign of the vocational education and training (VET) system, which is one of your priorities for the Vocational Education portfolio.

Background

- 2. On 13 March 2025 we provided you with the first draft of the work-based learning Cabinet paper you will be taking to the Social Outcomes Cabinet Committee on 9 April 2025 [METIS 1343623 refers]. You provided feedback on this draft on 14 March 2025.

Table One: Work-based Learning Cabinet paper timeline

Ministerial and agency consultation	21 to 28 March
Revisions	31 March to 2 April
Lodging	3 April
SOU Cabinet Committee	9 April

We have amended the first draft to incorporate your feedback

- 3. We have made your requested changes, and revised versions of the draft Cabinet Paper are annexed to this paper. **Annex 1** contains a version with tracked changes, while **Annex 2** contains a ‘clean’ version with all changes accepted.
- 4. These versions also contain an Executive Summary that has been prepared following receipt of your comments on the first draft. A list of the agencies that are receiving copies has been added to the consultation section of the paper.

We have partially amended one paragraph

- 5. In paragraph 21 of the draft provided on 13 March (paragraph 24 of the versions in annexes 1 and 2), you requested that the sentence “As new work-based learning programmes may take time to emerge, the ISBs will be able to continue enrolling learners in the former WBL division programmes.” be amended to:
 - 5.1. “If any smaller niche work-based learning programmes take time to emerge, the ISBs will be able to continue enrolling learners in the former WBL division programmes with approval of the Minister”.

- 6. 9(2)(g)(i)

- 7. 9(2)(g)(i)

¹ The ISBs being able to receive ministerial approval for transferring enrolled learners to a specific industry-owned PTE was discussed on 11 March.

² Section 420(1)(a) of the Education and Training Act 2020 states the Minister may not “identify a specified organisation or specified organisations to which funding is to be provided or denied under any funding mechanism”.

8. While ISBs will be independent statutory bodies, the Crown Entities Act 2004 can provide guidance for Crown-established and funded entities. Section 113 of the Crown Entities Act 2004 safeguards the independence of Crown entities (such as polytechnics and Wānanga) by stating that the Act “does not authorise a Minister to direct a Crown entity, or a member, employee, or office holder of a Crown entity in relation to a statutorily independent function; or requiring the performance or non-performance of a particular act, or the bringing about of a particular result, in respect of a particular person or persons.”
9. The policy work to understand the full ramifications of adding this Ministerial power has not been done. As it may cut across the Education and Training Act and elements of the Crown Entities Act, you would need to consult with the Minister of Finance and the Minister for the Public Service. This would likely add significantly delays to progressing your Cabinet paper, impacting on subsequent Cabinet papers, planned legislation, and the remainder of your proposed VET work programme.
10. There are a range of other levers available to manage the situations in which ISBs would and would not enrol learners. These include:
 - The TEC’s Investment Guidance and Investment Plan approval process.
 - Conditions attached to funding mechanisms.
 - Letters of expectation issued to ISB board members.
 - Expectations set in the Orders in Council of the ISBs.
11. We have removed the final sentence of this paragraph, as requested.

Next Steps

12. Once you have confirmed the amended draft, we will undertake a final proofread and provide you with a final version by the end of Thursday for your office to circulate for Ministerial consultation on Friday.
13. The draft Regulatory Impact Statement for this work has been considered by the Ministry’s internal panel, and is currently being revised in light of the panel’s feedback. We will provide it to you separately.

Annexes

The following are annexed to this paper:

- Annex 1: Draft April Cabinet Paper on Work-based learning – amended (Tracked Changes)
- Annex 2: Draft April Cabinet Paper on Work-based learning – amended (Clean)

Annexes withheld in full under section 9(2)(g)(i) of the Act. Final version of the Cabinet paper can be found at the below weblink:
<https://www.education.govt.nz/our-work/information-releases/issue-specific-information-releases/vocational-education-and-training-vet-redesign>

Recommended Actions

The Ministry of Education recommends you:

- a. **confirm** the amended draft Cabinet Paper

Yes / No

- b. **note** that the final version of the draft Cabinet Paper will be provided to your office on 20 March 2025, so your office can circulate for ministerial consultation from 21 March 2025.

Noted

Proactive Release:

- c. **agree** that the Ministry of Education release this paper once Cabinet decisions on the future of work-based learning have been announced, with any information needing to be withheld done so in line with the provisions of the Official Information Act 1982.

Agree / Disagree



Rachel Dillon

VET Programme Manager

Te Pou Kaupapahere

19/03/2025

Hon Penny Simmonds

Minister for Vocational Education

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